

**VILLAGE OF MUIR
(Ionia County, Michigan)**

Ordinance No. 62

**AN ORDINANCE SUPPLEMENTING ORDINANCE NO. 46 TO
AUTHORIZE AND PROVIDE FOR THE ISSUANCE OF ADDITIONAL
SERIES OF REVENUE BONDS TO PAY THE COST OF ACQUISITION
AND CONSTRUCTION OF IMPROVEMENTS TO THE VILLAGE'S
WATER SUPPLY SYSTEM AND TO PROVIDE OTHER MATTERS
RELATIVE TO THE ADDITIONAL BONDS**

Councilmember Stewart supported by Councilmember Vander Werff moved the adoption of the following Ordinance:

WHEREAS, the Village of Muir (the "Village") has previously enacted Ordinance No. 46 authorizing the issuance of revenue bonds to pay the cost of acquisition and construction of water system improvements to be operated as part of the Village's Water Supply System (the "System") pursuant to Act 94, Public Acts of Michigan, 1933, as amended (the "Act"); and

WHEREAS, the Village Council of has determined to make additional improvements to the System; and

WHEREAS, the improvements will enable the Village to provide more efficient and better quality public services to the users of the System; and

WHEREAS, the improvements shall be financed by the issuance of several series of revenue bonds in accordance with the Act; and

WHEREAS, the Village intends to issue one series of bonds which will be sold to the Michigan Finance Authority pursuant to the Drinking Water State Revolving Fund program, through the use of Water Infrastructure Transfer Act funds, the debt service on which is eligible for 100% principal forgiveness; and

WHEREAS, the Village intends to issue one or more series of bonds which will be sold to the United States of America; and

WHEREAS, the Village has met or will meet all of the conditions and requirements of Section 20 of Ordinance No. 46 for the issuance of additional bonds.

THE VILLAGE OF MUIR HEREBY ORDAINS:

Section 1. DEFINITIONS. Except as provided in this Ordinance, the definitions contained in the Prior Ordinance (defined below) shall apply to the terms in this Ordinance. In addition, whenever used in this Ordinance except when otherwise indicated by context, the following definitions shall apply to the terms in this Ordinance:

(a) “2022 USA Bond Reserve Account” means the sub-account established within the Redemption Account pursuant to Section 14 of this Ordinance.

(b) “Authorized Officer” means the President, Clerk and Treasurer of the Village, or any one acting alone or more of them acting together.

(c) “Authority” means the Michigan Finance Authority created by Executive Order 2010-2, which, among other things, transferred to the Michigan Finance Authority the powers, duties and functions of the Michigan Municipal Bond Authority, created and established pursuant to Act 227, Public Acts of Michigan, 1985, as amended.

(d) “Bonds” as defined in the Prior Ordinance shall include the Series 2022 Bonds which are being issued as Additional Bonds under Section 20 of the Prior Ordinance.

(e) “Construction Fund” shall mean the 2022 Water Supply System Revenue Bonds Construction Fund created pursuant to Section 13 of this Ordinance.

(f) “Contract Documents” means the Purchase Contract between the Village and the Authority, the Supplemental Agreement by and among the Village, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes, and Energy, and the Issuer’s Certificate for the Series 2022 Bonds or such other closing documents required by the Authority for the issuance of the Series 2022 Bonds.

(g) “DWSRF Bonds” means such of the Series 2022 Bonds sold to the Authority.

(h) “Improvements” means the design, acquisition and construction of improvements to the System, including, but not limited to, water main improvements, replacing water mains, installing new water mains, water tower improvements, standby generator and SCADA improvements, the replacement of lead and galvanized water service lines throughout the Village to comply with the Michigan Department of Environment, Great Lakes, and Energy’s Lead and Copper Rules, the restoration of streets, rights-of-way and easements affected by the improvements and related facilities, as well as all work, equipment and appurtenances necessary or incidental to these improvements and such other improvements as the Village may approve.

(i) “Prior Bonds” means the Village’s Water Supply System Revenue Bonds, Series 2010.

(j) “Prior Ordinance” means Ordinance No. 46 as supplemented by Ordinance No. 47 and, Ordinance No. 53.

(k) “Ordinance” means this Ordinance and all amendments hereto.

(l) “Series 2001 Bonds” means the Village’s Water Supply System Revenue Bond, Series 2001 dated September 28, 2001, issued in the original aggregate principal amount of \$1,850,000 and the Village’s Water Supply System Revenue Bond, Series 2001B dated December 20, 2001, issued in the original aggregate principal amount of \$340,000.

(m) “Series 2022 Bonds” means the Village’s Water Supply System Revenue Bonds, Series 2022, issued in multiple series each with an appropriate series designation, issued pursuant to this Ordinance, including the DWSRF Bonds and the USA Bonds.

(n) “United States” means the United States of America.

(o) “USA Bonds” means such of the Series 2022 sold to the United States.

Section 2. NECESSITY, PUBLIC PURPOSE: It is hereby determined to be necessary for the public health, safety and welfare of the Village to acquire and construct the Improvements to the System in accordance with the maps, plans and specifications therefore prepared by the Village’s consulting engineers, which are hereby approved.

Section 3. ESTIMATED COST; PERIOD OF USEFULNESS: The cost of the Improvements has been estimated by the engineers not to exceed \$4,796,000 including the payment of legal, engineering, financial and other expenses, which estimate of cost is approved and confirmed, and the period of usefulness of the Improvements is estimated to be greater than forty (40) years.

Section 4. ISSUANCE OF BONDS. To pay a portion of the cost of designing, acquiring and constructing the Improvements and to pay the legal and financial expenses and all other expenses incidental to the issuance of the Series 2022 Bonds, the Village shall borrow the sum of not to exceed \$2,910,000 and issue its revenue bonds pursuant to the provisions of the Act. The Series 2022 Bonds shall be issued in two or more series, including the DWSRF Bonds and the USA Bonds. The balance of the costs of the Improvements shall be paid by grants and other funds appropriate by the Village.

(a) The DWSRF Bonds shall be issued in the aggregate principal sum of not to exceed \$1,000,000, as finally determined by the Authorized Officer at the time of sale, or such lesser amount thereof as shall have been advanced to the Village pursuant to the Contract Documents.

During the time funds are being drawn down by the Village under the DWSRF Bonds, the Authority will periodically provide the Village a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Village of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of the DWSRF Bonds.

(b) The USA Bonds shall be issued in one or more series in the aggregate principal sum of not to exceed \$1,910,000, as finally determined by the Authorized Officer at the time of sale.

Section 5. SERIES 2022 BOND TERMS.

(a) The DWSRF Bonds shall be issued as one fully registered manuscript bond, shall be sold and delivered to the Authority in any denomination. The DWSRF Bonds shall be dated the date of delivery to the Authority, or such other date approved by the Authorized Officer, and shall be payable on the dates and in the amounts determined by the Authorized Officer at the time of sale provided the final maturity shall be no later than forty years after the date of issuance. The DWSRF Bonds shall bear interest at a rate as provided in the Contract Documents, payable semiannually on the dates determined by the Authorized Officer at the time of sale.

Notwithstanding the above, the final amount of any maturity and terms of the DWSRF Bonds shall be as provided in the Contract Documents and will be finally determined by the Authorized Officer, and it is anticipated that the DWSRF Bonds will receive 100% principal forgiveness by the Authority according to its procedures for principal forgiveness.

(b) The USA Bonds shall be issued in one or more series with each series issued as one fully registered manuscript bond, and shall be sold and delivered to the United States in

denominations of \$1,000 or any whole multiple thereof. Each series of the USA Bonds shall be dated the date of delivery to the United States, or such other date approved by the Authorized Officer, and shall be payable on the dates and in the amounts determined by the Authorized Officer at the time of sale provided the final maturity of each series of the USA Bonds shall be no later than forty (40) years after the date of issuance. The USA Bonds shall bear interest at a rate or rates of not to exceed 5.00% per annum as determined by the Authorized Officer, payable semiannually on the dates determined by the Authorized Officer at the time of sale. The Authorized Officer may alter or determine the USA Bond terms within the parameters of this Ordinance as hereafter provided.

Section 6. PAYMENT OF BONDS; PLEDGE OF NET REVENUES.

(a) As provided in Section 9 of the Prior Ordinance, the principal of and interest on the Series 2022 Bonds, as Additional Bonds, shall be payable from the Net Revenues derived from the operation of the System, including future improvements, enlargements and extensions thereof, after provision has been made for the payment of expenses of administration, operation and maintenance thereof and the Net Revenues of the System, including future enlargements, improvements, and extensions thereto, are hereby pledged to the payment of the principal of and interest on the Series 2022 Bonds. To secure the payment of the principal of and interest on the Series 2022 Bonds there is hereby created a lien, which shall be a statutory lien pursuant to the Act, to and in favor of the Bondholders of the Series 2022 Bonds upon the Net Revenues of the System, including future enlargements, improvements, and extensions thereof, which shall be of equal standing and priority with respect to the Net Revenues of the System securing the Prior Bonds. The Net Revenues so pledged shall be and remain subject to such lien until the payment in full of the principal of and interest on the Series 2022 Bonds or until Bonds are defeased as provided in the Prior Ordinance or in the case of the DWSRF Bonds, the principal is forgiven.

The Series 2022 Bonds, including both principal and interest thereon, shall not be a general obligation of the Village and shall not constitute an indebtedness of the Village for the purpose of any debt limitations imposed by any constitutional, statutory or charter provisions.

Section 7. PRIOR REDEMPTION:

(a) DWSRF Bonds issued and sold to the Authority shall be subject to redemption prior to maturity by the Village only with the prior written consent of the Authority and on such terms as may be required by the Authority.

(b) USA Bonds issued and sold to the United States shall be subject to redemption prior to maturity at the option of the Village, in whole or in part, in such order as the Village may designate on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium. USA Bonds of a denomination greater than \$1,000 may be partially redeemed in the amount of \$1,000 or any whole multiple thereof.

Section 8. PAYING AGENT AND REGISTRATION.

(a) From time to time the Village shall designate and appoint a Paying Agent (the "Paying Agent"), which shall also act as transfer agent and bond registrar. The initial Paying Agent shall be the Treasurer of the Village. In the event of a change in the Paying Agent, notice shall be given in writing, by certified mail, to each Registered Owner not less than sixty (60) days prior to the next interest payment date. The Paying Agent shall keep the official books for the recordation of the Registered Owners of the Bonds.

(b) Registration of the Bonds shall be recorded in the registration books of the Village to be kept by a Paying Agent. Except as may be provided for Additional Bonds in the ordinance authorizing issuance of those Bonds, Bonds may be transferred only by submitting the same, together with a satisfactory instrument of transfer signed by the Registered Owner or the Registered Owner's legal representative duly authorized in writing, to the Paying Agent, after which a new Bond or Bonds shall be issued by the Paying Agent to the transferee (new registered owner) in any denomination, in the same aggregate principal amount as the Bond submitted for transfer. No transfer of Bonds shall be valid unless and until recorded on the bond registration books in accordance with the foregoing. The person in whose name any Bond is registered may for all purposes, notwithstanding any notice to the contrary, be deemed and treated by the Village and the Paying Agent as the absolute owner thereof, and any payment of the principal of and interest on any Bond to the Registered Owner thereof shall constitute a valid discharge of the

Village's liability upon such Bond to the extent of such payment. No Bond shall be transferred less than fifteen (15) days prior to an interest payment date nor after the Bond has been called for redemption.

(c) Notwithstanding any other provision of this Ordinance, so long as the Authority is the owner of the DWSRF Bonds, (a) the DWSRF Bonds are payable as to principal, premium, if any, and interest in lawful money of the United States of America at U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Village by the Authority (the "Authority's Depository"); (b) the Village agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on the DWSRF Bonds in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Village's deposit by 12:00 noon on the scheduled day, the Village shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of the DWSRF Bonds shall be given by the Village and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

(d) While any USA Bonds are held by the United States, principal of and interest on those USA Bonds shall be paid in lawful money of the United States to the United States or its assignee by draft, check or pre-authorized debit at the office specified in writing or by such other method of payment as instructed by the United States or its assignee.

Section 9. SALE OF BONDS.

- (a) The DWSRF Bonds shall be sold by a negotiated sale to the Authority.
- (b) The USA Bonds shall be sold by a negotiated sale to the United States.
- (c) The Village determines that a negotiated sale is in the best interest of the Village because the terms offered by the Authority and the United States are more favorable than those available from other sources of funding.

Section 10. BOND FORM:

(a) The DWSRF Bonds shall be substantially in the form attached hereto as Exhibit A, and incorporated herein, with such completions, changes and additions as may be required by the Authority or as recommended by the Village 's Bond Counsel and approved by the officers of the Village signing the DWSRF Bonds.

(b) The USA Bonds shall be substantially in the form attached hereto as Exhibit B, and incorporated herein, with such completions, changes and additions as may be required by the United States or as recommended by the Village 's Bond Counsel and approved by the officers of the Village signing the USA Bonds.

Section 11. AUTHORIZED OFFICER:

(a) The Authorized Officer is hereby designated, for and on behalf of the Village, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the DWSRF Bonds to the Authority. The Authorized Officer is hereby authorized to execute and deliver the Contract Documents in substantially the form on file with the Village Clerk, with such changes, additions and completions as are approved by the Authorized Officer. The Village hereby approves the Contract Documents in the form presented by the Authority with such changes as are approved by the Authorized Officer.

(b) The Authorized Officer is hereby designated, for and on behalf of the Village, to do all acts and to take all necessary steps required to effectuate the sale, issuance and delivery of the USA Bonds to the United States.

(c) Notwithstanding any other provision of this Ordinance, the Authorized Officer is authorized within the limitations of this Ordinance to determine the specific interest rate or rates to be borne by the bonds, not exceeding the maximum rate allowed by law, the principal amount, interest payment dates, dates of maturities, and amount of maturities, redemption rights, the title of each series of the Series 2022 Bonds, date of issuance, and other terms and conditions relating to the Series 2022 Bonds and the sale thereof provided, however, the last annual principal installment shall not be more than forty years from the date of issuance of the Series 2022 Bonds. The Authorized Officer's approval of the terms shall be evidenced by his or her signature on the document or agreement stating such terms. The Authorized Officer is hereby authorized for and

on behalf of the Village, without further Village Council approval, to do all acts and take all necessary steps required to effectuate the sale, issuance, and delivery of the Series 2022 Bonds. The Authorized Officer, or any one or more of them, are authorized to execute any orders, receipts, agreements, pledge agreements, documents or certificates necessary to complete the transaction, including, but not limited to, any issuers certificate, any certificates relating to federal or state securities laws, rules or regulations, any election or designation under the Internal Revenue Code of 1986, as amended or any regulation promulgated thereunder, any applications to the Michigan Department of Treasury, and any revenue sharing pledge agreement. The Village hereby approves the Revenue Sharing Pledge Agreements in the form presented by the Authority, with such changes as are approved by the Authorized Officer, and authorizes the Authorized Officer to execute and deliver the Revenue Sharing Pledge Agreement if it is required by the Authority.

Section 12. EXECUTION OF BONDS: The President or the President Pro Tem and the Clerk or the Deputy Clerk of the Village are hereby authorized and directed to sign each series of the Series 2022 Bonds, either manually or by facsimile signature, on behalf of the Village. Upon execution, the Series 2022 Bonds shall be delivered to the purchaser thereof.

Section 13. CONSTRUCTION FUND. The proceeds of the Series 2022 Bonds shall be deposited in the Construction Fund. Such moneys shall be used solely for the purpose for which the Series 2022 Bonds were issued. Any unexpected balance in the Construction Fund remaining after completion of the Improvements may be used for such purposes as allowed by law. After completion of the Improvements and disposition of remaining Series 2022 Bond proceeds, if any, pursuant to the provisions of this Section, the Construction Fund shall be closed. The Village may establish sub-funds in the Construction Fund for a series of the Series 2022 Bonds as determined by the Authorized Officer.

Section 14. 2022 USA BOND RESERVE ACCOUNT. There is hereby established a subaccount with respect to the USA Bonds within the Redemption Account to be known as the 2022 USA Bonds Reserve Account (the "2022 USA Reserve"). The Village shall pay into the 2022 USA Reserve from the revenues of the System after provision has been made for the Operation and Maintenance Fund and the current requirements of the Redemption Account, an annual sum determined by the United States and approved by the Authorized Officer in an order signed by the Authorized Officer until there has been accumulated in the 2022 USA Reserve such

total amounts determined by the United States and approved by the Authorized Officer in such order (the “Required Reserve”). Except as hereinafter provided, no further deposits or additions need be made into the 2022 USA Reserve once the Required Reserve has been deposited therein. The moneys in the Bond Reserve Account shall be used solely for the payment of the principal of and interest on Bonds as to which there would otherwise be default.

If at any time it shall be necessary to use moneys in the 2022 USA Reserve for payment of principal and/or interest on Bonds, then the moneys so used shall be replaced from the revenues first received thereafter that are not required by this Ordinance to be used for operation and maintenance or for current principal and interest requirements. The 2022 USA Reserve shall be maintained while the USA Bonds remain outstanding or until they are defeased. The 2022 USA Reserve may be applied to the final payments of principal and interest on the USA Bonds or to provide funds for their defeasance.

Section 15. REPAIR AND REPLACEMENT FUND. The Village shall continue the Repair and Replacement Fund established by the Ordinance. The Village shall deposit each year into the Repair and Replacement Fund from monies in the Receiving Fund, after meeting the requirements of the subsections set forth above, the sum of \$26,303 or such other amounts determined by the United States and approved by the Authorized Officer, until the principal of and interest on the USA Bonds has been paid in full. Moneys in the Repair and Replacement Fund shall be used by the Village for the purpose of acquiring and constructing improvements, additions and extensions and for making repairs and replacements to the System. Such additional sums may be deposited into the Repair Replacement and Improvement Fund as the Council shall determine to be necessary from time to time for the purposes of the Repair and Replacement Fund. The requirements of this Section shall supersede the requirements of Section 14 of Ordinance 53, which shall no longer be applicable to the Village.

Section 16. RATES AND CHARGES. The rates and charges for the services of the System shall be those in effect on the date of adoption of this Ordinance or as may be adopted prior to the issuance of the Series 2022 Bonds. The rates and charges are in amounts that are sufficient to pay the expenses of administration and the costs of operation and maintenance of the System, to provide an amount of revenues adequate for the payment of principal of and interest on

the Bonds, reserve, replacement and improvement requirements and to otherwise comply with all requirements and covenant provided herein.

Section 17. DEFEASANCE. The USA Bonds while held by the United States shall not be defeased without written approval of the United States.

Section 18. ELECTRONIC FUND TRANSFERS. Pursuant to the guidelines and requirements of the United States, promulgated through the Rural Development Division of the United States Department of Agriculture, the USA Bond proceeds will be released and delivered to the Village pursuant to draws against such funds during construction and acquisition of the Improvements. Commencing with the issuance of the USA Bonds, the Treasurer, or his or her appointee, will inscribe his or her initials on Schedule II attached to the appropriate USA Bond to acknowledge receipt and acceptance of the amount of the draw. Thereafter the Treasurer will complete and execute an "Estimate of Funds Needed for a Thirty- (30-) Day Period", Form 440-11 (the "Estimate of Funds Needed") periodically requesting additional funds.

In the event the United States provides for an electronic fund transfer of draws, the Village shall deliver the executed Estimate of Funds Needed by mail or facsimile transmission to the United States, after which the appropriate funds will be wire transferred to the account of the Village.

Section 19. LOAN RESOLUTION. The Loan Resolution, RUS Bulletin 1780-27, is hereby adopted, with such changes completions an additions as are approved by the Authorized Officer, and the terms and conditions hereof are shall be binding upon the Village as if they were incorporated herein.

Section 20. DWSRF BOND COVENANTS. The proceeds of the sale of the DWSRF Bond shall be used solely to pay DWSRF eligible costs of the Project that have been approved pursuant to the DWSRF program ("Eligible Costs"); provided that the Village Council shall not authorize the payment of any such moneys for payment of Eligible Costs until there shall have been first filed with it by the consulting engineer in charge of such work, a written statement to the effect that the sum so to be paid is in full or partial payment of a contractual obligation in connection with Eligible Costs and that the Village has received the consideration for such payment. In the event that the Village does not receive the principal forgiveness of the DWSRF Bond anticipated by the Village at the time of the issuance of the DWSRF Bond, the Village

covenants that it will take all necessary steps required by the Ordinance and applicable law to increase rates for the use of the System to the extent necessary to pay the principal of and interest on the Bonds.

Section 21. SERIES 2001 BONDS. Upon the issuance of the first series of Series 2022 Bonds, the Village shall transfer to the Bond and Interest Redemption Account being held for the series 2001 Bonds such amount as will be sufficient to pay at maturity all outstanding principal and accrued interest on the Series 2001 Bonds. The deposit of such funds in these accounts shall be irrevocable to the extent needed to make the payment of principal of and interest on the Series 2001 Bonds and shall not be used for any other purpose and upon such deposit the Series 2001 Bonds shall be defeased and will no longer be Outstanding Bonds.

Section 22. PUBLICATION AND RECORDATION. This Ordinance shall be published once in full in a newspaper of general circulation in the Village qualified under state law to publish legal notices, and the same shall be recorded in the records of the Village and such recording authenticated by the signature of the Village Clerk.

Section 23. ORDINANCE SUBJECT TO MICHIGAN LAW. The provisions of this Ordinance are subject to the laws of the State of Michigan.

Section 24. SECTION HEADINGS. The section headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of this Ordinance.

Section 25. SEVERABILITY: If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

Section 26. CONFLICT: Except as provided above, all Ordinances or parts thereof, insofar as the same may be in conflict herewith, are hereby repealed to the extent of the conflict; provided, that the foregoing shall not operate to repeal any provision thereof, the repeal of which would impair the obligation on the Series 2022 Bonds or the Prior Bonds.

Section 27. EFFECTIVE DATE OF ORDINANCE: Pursuant to Section 6 of the Act, this Ordinance shall be approved on the date of first reading and this Ordinance shall be effective immediately upon its adoption.

YEAS: Trustees Nelson, Stewart, Piselli, Vander Werf, Garber, President Hyland

NAYS: none

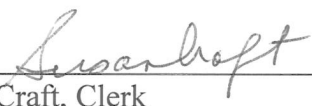
ABSTAIN: none

ABSENT: Trustee Kacos

ORDINANCE DECLARED ADOPTED.



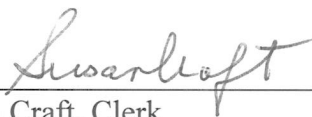
Doug Hyland, President
Village of Muir



Susan Craft, Clerk
Village of Muir

CERTIFICATION

I, Susan Craft, the duly qualified and acting Clerk of the Village of Muir, Ionia County, Michigan do hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the Village Council at a regular meeting held on February 8, 2022, and that notice of said meeting was given pursuant to Act 267, Public Acts of Michigan, 1976, as amended.



Susan Craft, Clerk
Village of Muir

Dated: February 8, 2022

EXHIBIT A
FORM OF DWSRF BONDS

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF IONIA
VILLAGE OF MUIR

WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2022
(Federally Taxable)

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>
_____ %	See Schedule I	_____, 2022

Registered Owner: Michigan Finance Authority

Principal Amount: _____ Dollars (\$_____)

The Village of Muir, Ionia County, Michigan (the "Issuer"), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Water Supply System of the Issuer (the "System"), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), the amounts and on the Dates of Maturity set forth on Schedule I hereto, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__, and semiannually thereafter on the first day of April and October of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

The Issuer promises to pay to the Michigan Finance Authority (the "Authority") the principal amount of this Bond or so much thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes, and Energy.

During the time funds are being drawn down by the Issuer under this Bond, the Authority will periodically provide the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced, all accrued

interest thereon, and any other amount payable with respect thereto in accordance with the terms of this Bond.

Notwithstanding any other provision of this Bond, so long as the Authority is the owner of this Bond, (a) this Bond is payable as to principal, premium, if any, and interest at U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository"); (b) the Issuer agrees that it will deposit with the Authority's Depository payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this Bond shall be given by the Issuer and received by the Authority's Depository at least 40 days prior to the date on which such redemption is to be made.

This Bond, being one fully registered manuscript bond, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended and Village of Muir Ordinance Nos. 46, 47, 53, and ____ (the "Ordinance"), for the purpose of paying the cost of acquiring and constructing improvements to the System. This Bond is a self-liquidating Bond, and is not a general obligation of the Issuer within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest upon all such Bonds as and when the same become due and payable, to maintain a bond and interest Redemption Account and to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance. The Bonds of this series shall have equal standing with the Issuer's Outstanding Bonds (as defined in the Ordinance), and any Additional Bonds (as defined in the Ordinance) that may be issued pursuant to the Ordinance. For a complete statement of the revenues from which, and the conditions under which, this Bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Ordinance.

Bonds of this series may be subject to redemption prior to maturity by the Issuer only with the prior written consent of the Authority and on such terms as may be required by the Authority.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the Authority's cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this Bond but in no event in excess of

the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this Bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this Bond.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular and due time and form as required by law and that the total indebtedness of the Issuer including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Village of Muir, Ionia County, Michigan, by its Village Council, has caused this Bond to be signed, by the manual or facsimile signatures of its President and Village Clerk, all as of the ____ day of _____, 2022.

Doug Hyland, President

Susan Craft, Clerk

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____
(Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.

EXHIBIT A

Name of Issuer VILLAGE OF MUIR
DEQ Project No: _____
DEQ Approved Amount: \$ _____
Loan amount Forgiven \$ _____
Loan amount to be Repaid \$ _____

SCHEDULE I

Based on the schedule provided below, unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes, and Energy (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, the Authority shall prepare a new payment schedule, which shall be effective upon receipt by the Issuer.

Due Date	Amount of Principal Installment Due

Interest on the Bond shall accrue on that portion of principal disbursed by the Authority to the Issuer pursuant to the Order from the date such portion is disbursed, until paid, at the rate of _____% per annum, payable _____ 1, 20__ , and semiannually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company, National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this Bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

*Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

EXHIBIT B
FORM OF USA BONDS

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF IONIA
VILLAGE OF MUIR
WATER SUPPLY SYSTEM REVENUE BONDS, SERIES, 2022
(Federally Taxable)

Interest Rate

Maturity Date

Date of Original Issue

Registered Owner: United States of America

Principal Amount: [Insert par amount]

The Village of Muir, Ionia County, Michigan (the “Issuer”), acknowledges itself indebted and, for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, out of the net revenues of the Water Supply System of the Issuer (the “System”), including all appurtenances, additions, extensions and improvements thereto after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the “Net Revenues”), the Principal Amount specified above, in the amounts and on the dates as set forth on Schedule I attached hereto, unless prepaid prior thereto as hereinafter provided, together with interest thereon from the dates of receipt of such funds, or such later date to which interest has been paid, at the Interest Rate per annum specified above, first payable on _____ 1, 20__, and semiannually thereafter on the first day of _____ and _____ of each year, except as the provisions hereinafter set forth with respect to redemption of this Bond prior to maturity may become applicable hereto.

Principal of this Bond is payable in lawful money of the United States of America to the United States of America. As long as the United States is the holder of this Bond, such payments shall be made by check, draft, wire transfer, Pre-Authorized Debit (PAD) or such other method of payment as instructed by the United States or its assignee.

This Bond, being one fully registered manuscript bond payable serially as set forth on Schedule I, is issued in accordance with the provisions of Act 94, Public Acts of Michigan, 1933, as amended and Village of Muir Ordinance Nos. 46, 47, 53, and ____ (the "Ordinance"), for the purpose of paying the cost of acquiring and constructing improvements to the System. This Bond is a self-liquidating Bond, and is not a general obligation of the Issuer within any constitutional or statutory limitations but is payable, both as to principal and interest, solely from the Net Revenues of the System. The principal of and interest on this Bond are secured by a statutory lien on the Net Revenues.

The Issuer hereby covenants and agrees to fix, and maintain at all times while any of the Bonds shall be outstanding, such rates for service furnished by the System as are required by the Ordinance, to maintain a bond and interest redemption account, a bond reserve account and to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Ordinance. The Bonds of this series shall have equal standing with the Issuer's Outstanding Bonds (as defined in the Ordinance), and any Additional Bonds (as defined in the Ordinance) that may be issued pursuant to the Ordinance. For a complete statement of the revenues from which, and the conditions under which, this Bond is payable, a statement of the conditions under which additional bonds of equal or superior standing may hereafter be issued, and the general covenants and provisions pursuant to which this Bond is issued, reference is made to the Ordinance.

While the Bonds of this series are held by the United States of America they shall not be defeased without the prior written consent of the United States of America. The Bonds shall be subject to redemption prior to maturity, at the option of the Issuer and in whole or in part in such order as the Issuer may designate, on any date, at the par value thereof and accrued interest to the date fixed for redemption, without a premium.

This Bond shall be registered in the name of the United States of America on the registration books kept by the Treasurer, acting as Paying Agent and bond registrar. No transfer shall be valid unless made upon the books of the Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this Bond, exist and have been done and performed in regular and due time and form as required by law and that the total indebtedness of the Issuer including this Bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Village of Muir, Ionia County, Michigan, by its Village Council, has caused this Bond to be signed, by the manual or facsimile signatures of its President and the Clerk, all as of the _____ day of _____ 2022.

Doug Hyland, President

Susan Craft, Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond represents the total authorized issue of the Village of Muir Water Supply System Revenue Bonds, Series 2022 (Federally Taxable), in the principal amount of [Insert par amount], and has been registered in the name of the Registered Owner designated on the face hereof in the bond register maintained for the Village of Muir.

Date: _____, 2022

Jim Newman, Treasurer
As Paying Agent/Bond Registrar/Transfer Agent

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Bond and all rights hereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof by the Paying Agent, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular, without alteration or enlargement or any change whatever.

SCHEDULE I

VILLAGE OF MUIR

**\$(INSERT PAR AMOUNT)
WATER SYSTEM REVENUE BONDS, SERIES 2022
(Federally Taxable)**

The Bond in the aggregate principal amount of \$[Insert par amount] matures annually on the first day of _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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